



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: CITY-WIDE AQUATICS

DATE: 06-01-07

Approved /s/

Date 06/01/07

RECOMMENDATION

- A. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Council District 3 Parks Construction and Conveyance Tax Fund (Fund 380) to allow the use of the reserve funds for repairs to the Biebrach pool:
 - 1. Establish the Aquatics Master Plan Implementation project in the amount of \$500,000; and
 - 2. Decrease the Reserve: Aquatics Master Plan Implementation by \$500,000.
- B. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Council District 4 Parks Construction and Conveyance Tax Fund (Fund 381) to allow the use of the reserve funds for repairs to the Alviso pool:
 - 1. Establish the Aquatics Master Plan Implementation project in the amount of \$500,000; and
 - 2. Decrease the Reserve: Aquatics Master Plan Implementation by \$500,000.
- C. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Council District 6 Parks Construction and Conveyance Tax Fund (Fund 384) to allow the use of the reserve funds for repairs to the Biebrach pool and for school leases:
 - 1. Establish the Aquatics Master Plan Implementation project in the amount of \$500,000; and
 - 2. Decrease the Reserve: Aquatics Master Plan Implementation by \$500,000.
- D. Approval of amendments to the 2007-2008 Proposed Capital Budget and 2008-2012 Capital Improvement Program to provide continued funding for Pool Repairs in each year in the following Construction and Conveyance Tax funds:
 - 1. Council District 3 Construction and Conveyance Tax Fund (Fund 380):
 - a. Increase the Pool Repairs appropriation by \$40,000 per year for a total of \$200,000; and
 - b. Decrease the Ending Fund Balance by \$40,000 per year for a total of \$200,000.
 - 2. Council District 4 Construction and Conveyance Tax Fund (Fund 381):
 - a. Increase the Pool Repairs appropriation by \$18,000 per year for a total of \$90,000; and
 - b. Decrease the Ending Fund Balance by \$18,000 per year for a total of \$90,000.

3. Council District 5 Construction and Conveyance Tax Fund (Fund 382):
 - a. Increase the Pool Repairs appropriation by \$25,000 per year for a total of \$125,000; and
 - b. Decrease the Ending Fund Balance by \$25,000 per year for a total of \$125,000.
 4. Council District 7 Construction and Conveyance Tax Fund (Fund 385):
 - a. Increase the Pool Repairs appropriation by \$53,000 per year for a total of \$265,000; and
 - b. Decrease the Ending Fund Balance by \$53,000 per year for a total of \$265,000.
 5. Council District 9 Construction and Conveyance Tax Fund (Fund 388):
 - a. Increase the Pool Repairs appropriation by \$25,000 per year for a total of \$125,000; and
 - b. Decrease the Ending Fund Balance by \$25,000 per year for a total of \$125,000.
- E. Approval of the following amendments to the Proposed 2007-2008 Capital Budget in the Subdivision Park Trust Fund (Fund 375):
1. Establish an appropriation to the Parks, Recreation and Neighborhood Services Department for the Reserve: Ryland Pool in the amount of \$1,450,000;
 2. Decrease the Reserve: Future PDO/PIFO Projects by \$1,050,000; and
 3. Decrease the Reserve: North District 3 Park Acquisition and Development project by \$400,000.

BACKGROUND

On February 27, 2007, staff submitted recommendations to the City Council for a 15 year implementation strategy for the development of the City-wide Aquatics Program. The Council approved those recommendations with an amendment that the minimum level of repairs necessary to satisfy health and safety requirements be made to the three closed City pools (Alviso, Biebrach and Ryland) so that they could be re-opened as quickly as possible.

The Administration has moved forward with a design/build approach for the repairs of the pools in order to re-open the pools for the 2008 summer season. A request for qualifications was issued to retain a pool consultant who will be responsible for assembling the design/build procurement documents. Based on the current assessment of the pools, the following is a summary of key milestone dates for the project.

Milestone	Completion Date
Complete preparation of construction documents	September 4, 2007
Bid Opening	September 27, 2007
Construction Start	November/December, 2007
Complete Construction	May/June, 2008

The estimated cost of the repairs is \$2.6 million.

As part of the February 27, 2007 action, the Council also approved staff's recommendation to include in the Proposed 2007-2008 Capital Budget, a reserve in the amount of \$500,000 in each

Council District's Construction and Conveyance Tax Fund. The proposed budget reflects this direction. In this memorandum it is recommended that the reserves in Districts 3, 4 and 6 be converted to live appropriations to complete the repairs of the three closed pools.

It is important to note that two of the closed pools are located in District 3 and will require more than \$500,000 in repairs (approximately \$900,000 for Biebrach and \$1,400,000 for Ryland). In order to fund the projects and re-open the pools for the 2008 summer season, it is recommended that the repair costs for the Biebrach pool be shared between District 3 (CD3 - \$500,000) and District 6 (\$400,000). Biebrach is within close proximity to District 6 and District 6 residents will benefit from the project. For the repairs at Ryland, \$1.4 million in funds are identified in this action that can be used (\$1.04M in new, unallocated park trust funds and an existing reserve for CD3 park improvements in the amount of \$400,000.) Efforts are still being pursued to secure private contributions towards the repairs for Ryland Pool and as a result, funding for the Ryland Pool repairs would be placed in a dedicated reserve pending any actions needed for design and construction.

ANALYSIS

Use of Proposed Reserves in Remaining Council Districts

In order to advance the vision of the Aquatics Master Plan, the proposed budget includes a \$500,000 reserve in each district to support a system of complimentary elements throughout the City. As previously noted, the reserves in Districts 3, 4 and 6 are proposed to be used to re-open the closed City-owned facilities for the 2008 summer season. Staff is recommending that the remaining reserves be used to fund school-site leases, support new development, fund public/private partnerships and to make improvements to existing facilities. In this way, the reserves in each District will collectively create a financing mechanism that will ensure access to aquatics programs that are tailored to the needs of individual council districts across the City.

In areas with existing pools, it is proposed that reserves be used to make the facilities more energy efficient, purchase equipment to attract new users (such as aqua recumbent bikes or audio/video equipment for movie nights in the pool,) or to install new technology that will streamline operations (customer tracking systems that can be used to improve marketing as well as issue season passes/membership cards or monitoring equipment that will enable maintenance staff to monitor facilities remotely during off-hours to leverage limited resources.)

In areas without pools, it is recommended that funds be used to facilitate partnerships and collaborations as well as new development. The recent success with San Jose Unified School District for sports fields at Leland High School is an illustration of how limited resources can be leveraged to improve access to services for San Jose residents. Funds in the reserves could be used to continue school leases, to improve facilities to make them more amenable for community use or to build new facilities.

It is important to note that the proposed budget only creates the reserves. This memorandum recommends activation of the reserve in districts 3, 4, and 6. Separate appropriation action will be required to fund specific projects within the remaining districts. Additional dialog will take place to define the specific use of the remaining individual Council reserves. Enclosed as

Attachment A is a matrix of preliminary recommendations by Council District for the use of these funds.

Aquatics Master Plan

In order to be responsive to Council's direction to expedite the repairs of the closed pools, staff resources have been re-directed from the Master Plan process to the repair process. As a result, there will be a slight adjustment to the Master Plan schedule. The final document is currently being drafted. Once it has been completed, the next milestone will be to present the document to the Parks and Recreation Commission on June 6 and to the City Council on August 21, following the Council's summer recess.

Use of Funds for Pool Repairs in Council Districts

Based on the condition of each pool, staff recommends allocating the following ongoing amounts for Pool Repairs using the Council District's Construction and Conveyance Tax Fund:

Council District 3:	\$40,000 per year for a total of \$200,000 over five years
Council District 4:	\$18,000 per year for a total of \$90,000 over five years
Council District 5:	\$25,000 per year for a total of \$125,000 over five years
Council District 7:	\$53,000 per year for a total of \$265,000 over five years
Council District 9:	\$25,000 per year for a total of \$125,000 over five years

It is recommended that these ongoing allocations be funded from each of the Council District's Ending Fund Balances. The Ending Fund Balance in each fund is sufficient enough to fund these increases without affecting any other projects or reserves already allocated in the fund. Funds will be utilized for the purchase and installation of replacement units such as pool filters, boilers, and other components related to water quality. Funds will also be used for rebuilding pumps, motors, and replacing venting as needed.

2007 Summer Season

Planning for the 2007 summer season is well underway. Contracts have been negotiated and programs will be offered at the following sites: Camden, Fair, Del Mar High School, Willow Glen Middle School, Piedmont High School, Silver Creek High School, Santa Teresa High School and Peter Burnett Middle School.

It is anticipated that PRNS will hire approximately 60 individuals for the summer program. Given the high number and the relatively short timeframe, staff has been actively recruiting. Presentations have been made to community groups and school career centers. In an effort to recruit "home-grown" expertise, PRNS will be offering a limited number of scholarships to students from the schools to be leased so that they can obtain the required licenses. PRNS staff is working with the school site personnel to identify individuals for these scholarships. In doing this, it is hoped that the staff will become more diverse and knowledgeable about the communities that they serve. Additionally, PRNS is working with local swim clubs like West Coast Aquatics to recruit and hire their participants for our program as well.

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This year's season will start on June 19 and continue through August 10. Early mail-in registration began April 30 and will continue through May 18. Walk-in registration will take place on June 14 and June 15.

| _____ /s/

ALBERT BALAGSO

Director

Department of Parks, Recreation and
Neighborhood Services

If you have any questions, please contact CYNTHIA BOJORQUEZ at 535-3581.

Cc: Les White
Ed Shikada
Katy Allen

Rick Doyle
Barbara Jordan

attachment

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
1	2		Reserve for school site partnership or spray park adjacent to District 6 border, with both Districts contributing.	<ul style="list-style-type: none"> Residents would have access to spray parks on both the West and East sides of the City (Mayfair Spray Park) School facilities could be improved in exchange for community access.
Total			\$500,000	
2	2		\$250,000 for Neighborhood Family Aquatics Center feasibility study, \$250,000 reserve for design/construction once site has been identified.	<ul style="list-style-type: none"> Advances project to fill service gap in South San Jose area.
Total			\$500,000¹	
3	1, 3	Increase on-going maintenance allocation to \$40,000/year (based on 2 six-lane pool facilities ²)	\$2,350,000 to repair Ryland and Biebrach. <i>May want to allocate additional 1x funds to implement PG&E energy efficiency investments.</i>	<ul style="list-style-type: none"> Ongoing preventative maintenance activities will assist in preserving safety of Biebrach and Ryland pools Both pools re-open
Total		\$40,000	\$2,350,000³	
4	1, 3	Increase on-going maintenance allocation to \$18,000/year	<ul style="list-style-type: none"> \$337,000 to complete repairs \$163,000 could: <ul style="list-style-type: none"> Add shade structures, Implement recommendations resulting from PG&E energy efficiency audit. 	<ul style="list-style-type: none"> Ongoing preventative maintenance activities will help preserve the safety of the Alviso pool. Customers will be protected from sun exposure as a result of shade amenities. Facility will be more energy efficient reducing future costs.
Total		\$18,000	\$500,000	

¹ Does not include construction costs or on-going expense when facility opens.

² Reserve for a new 6-lane pool is \$17,100. Given age of the facilities, recommending that this amount be raised to \$20,000.

³ District 3 will be required to invest more than \$500,000 as the District has two pools to be re-opened. Funds for the repair of Ryland (\$1,450,000) new, unallocated park trust funds and an existing CD3 park improvements reserve will be used. \$400,000 will be used as D6 share contribution of Biebrach pool repairs.

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
5	3, 4	Increase on-going maintenance allocation to \$25,000/year	<ul style="list-style-type: none"> ▪ \$500,000 could: <ul style="list-style-type: none"> Implement recommendations from PG&E energy efficient audit; Purchase equipment for specialty programs such as recumbent aqua bikes, audio/video for family movie nights; On-line tracking systems to facilitate registration, monthly or season passes. Automatic sunscreen equipment Monitoring equipment so that pools can be monitored remotely during off-hours. 	<ul style="list-style-type: none"> ▪ Facility will be more energy efficient reducing future costs. ▪ Specialty equipment will attract new users and increase revenue opportunities, ▪ Tracking systems will enable user data to be collected to improve marketing efforts as well as provide more efficient cashiering. In addition, it will provide customers with the opportunity to use pre-paid cards so that they don't have to carry money while at the pool. ▪ Monitoring equipment will facilitate better utilization of limit maintenance staff.
Total		\$25,000	\$500,000	
6	1, 2		\$400,000 to support repair of Biebrach pool. \$100,000 for school leases through 2010 or as a contribution to a spray park along the border of District 1	<ul style="list-style-type: none"> ▪ District 6 residents will have access to Biebrach pool. ▪ Funds will be available to continue school leases of Del Mar High School and Willow Glen High School once closed pools come back on-line in 2008. Otherwise, there will be no source of funds for those leases.
Total			\$500,000	

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
7	3, 4	Increase on-going maintenance allocation to \$53,000/year	<p>\$500,000 could be used to:</p> <ul style="list-style-type: none"> Implement recommendations from PG&E energy efficient audit; Purchase equipment for specialty programs such as recumbent aqua bikes, audio/video for family movie nights; Automatic sunscreen On-line tracking systems to facilitate registration, monthly or season passes. Monitoring equipment so that pools can be monitored remotely during off-hours. Enhance Group Pavilion 	<ul style="list-style-type: none"> ▪ Facility will be more energy efficient reducing future costs. ▪ Specialty equipment (aqua bikes, audio/visual) will attract new users and will increase revenue opportunities. ▪ Automatic sunscreen machine will provide an additional revenue source while promoting sun safety for customers. ▪ Tracking systems will enable user data to be collected to improve marketing efforts as well as provide more efficient cashiering. In addition, it will provide customers with the opportunity to use pre-paid cards so that they don't have to carry money while at the pool. ▪ Monitoring equipment will result in better utilization of limited maintenance staff.
Total		\$53,000	\$500,000	

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
8	2		<p>\$400,000 would be used to establish a reserve to benefit the development of aquatics facilities at either the Arcadia site or Fowler Creek.</p> <p>\$100,000 for lease of Silver Creek through 2012 (both recreation and lessons.)</p>	<ul style="list-style-type: none"> ▪ Funds would be available to continue lease of Silver Creek High School once closed pools come back on-line in 2008. Otherwise, there will be no source of funds for that lease. ▪ Funds would be available for FFE (such as aqua bikes, audio/video for movie nights, shade structures, etc) at new sites.
Total			\$500,000	
9	3, 4	Increase on-going maintenance reserve to \$24,300	<p>\$500,000 could be used to:</p> <ul style="list-style-type: none"> Implement recommendations from PG&E energy efficient audit; Purchase equipment for specialty programs such as recumbent aqua bikes, audio/video for family movie nights; On-line tracking systems to facilitate registration, monthly or season passes. Automatic sunscreen equipment Monitoring equipment so that pools can be monitored remotely during off-hours. Lease an additional school site <u>for swim lessons only.</u> 	<ul style="list-style-type: none"> ▪ Facility will be more energy efficient reducing future costs. ▪ Specialty equipment will attract new users and increase revenue opportunities, ▪ Tracking systems will enable user data to be collected to improve marketing efforts as well as provide more efficient cashiering. In addition, it will provide customers with the opportunity to use pre-paid cards so that they don't have to carry money while at the pool. ▪ Monitoring equipment will facilitate better utilization of limit maintenance staff. ▪ Lease of school site would provide greater access across District.
Total		\$24,300	\$500,000	

ATTACHMENT A - PRELIMINARY RECOMMENDATIONS FOR USE OF AQUATICS RESERVE (CONT)

OBJECTIVES:

1. Repair closed facilities.
2. Build the system to fill in service gaps.
3. Maintain safe, clean facilities and provide positive customer experience.
4. Utilize technology to become more efficient.

District	Objectives to Be Met	Existing Pool Repairs Appropriation	\$500K Reserve	ROI
10	2		<p>\$400,000 could be used to joint venture with a local school district, local cabana club or YMCA.</p> <p>\$100,000 for school leases through 2010 for <u>swim lessons only</u>.</p>	<ul style="list-style-type: none"> ▪ Improvements would be made on property of joint venture partner in exchange for community use similar to Leland agreement. ▪ The demand in D10 is for swim lessons. This investment would enable the City to lease two sites (Leland/Pioneer) for swim lessons only. Operating costs would be offset by revenue generated from lessons.
Total			\$500,000	